

MEMORANDUM FOR: Director of Logistics

SUBJECT : Annual Report Call

REFERENCE : Multiple Addressee Memo dtd 14 June 74 fm D/L,  
same subject

This constitutes the Procurement Division, OL, feeder report to the overall Office of Logistics annual report for fiscal year 1974.

Section A - General

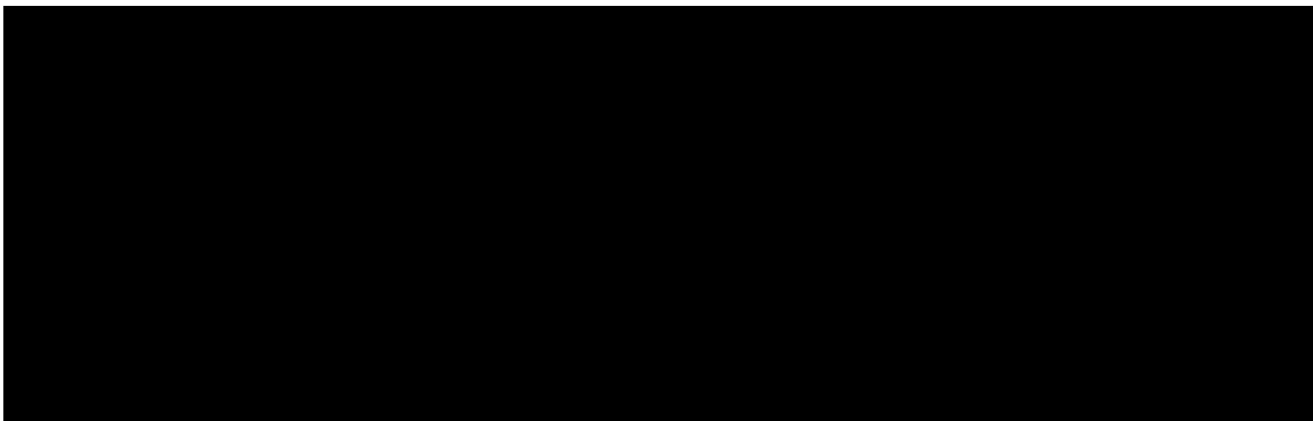
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Procurement Division, OL, is responsible for planning, negotiation, executing, and administering all Agency procurement activities assigned and must ensure that these actions are accomplished in the best interest of the Agency, comply with the criteria outlined in [REDACTED], and are managed in accordance with sound business practice. It is also responsible for the development and maintenance of an efficient procurement and contracting staff. In conjunction with this, the Division is charged with the responsibility of approving field procurement of equipments and supplies including regulated items and such other responsibilities as may be delegated of a procurement/contracting nature.

During this past fiscal year, the Research and Development Section's active contracts were transferred to the Office of Development and Engineering. At that time, the Procurement Division (PD) was charged with the responsibility of negotiating all Automatic Data Processing acquisition and rental contracts. To implement this, the Automatic Data Processing and Engineering Section (ADP&ES) was established effective 1 January 1974. In order to comply with the Federal Procurement Regulations, a Delegation of Procurement Authority was granted from the General Services Administration (GSA) to permit this office to procure the ADP equipment.

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t Also, the Blanket Purchase Agreement (BPA) method of purchasing was implemented in the General Procurement Branch (GPB) in November of 1973, which ultimately accounted for 1,970 actions during the fiscal year. During the course of this year, Special Projects Unit, SD/OL, which was responsible for the handling of under

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absorption can be seen in Section B, "General" of this report.

Further, during the course of the year, it became necessary to revise our objective 14. Objective 14 has been divided into Objective 14a (BLANKET PURCHASE AGREEMENT [BPA] PROJECT), 14b (REQUIREMENTS CONTRACTS PROJECT) and

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#### SECTION B - Performance Against FY 1974 Objectives

##### Objective 11 (COST ALLOCATION PROJECT)

The final cost of operation during the month of June has not been received from Budget & Fiscal Branch, EO/OL. When these figures are available, PD will be able to finalize on an annualized basis the cost of processing requirements in each unit. As previously reported on 28 June 1974, this should be accomplished during August 1974. (100% successful)

##### Objective 14a (BLANKET PURCHASE AGREEMENT (BPA) PROJECT)

A total of 1,970 calls have been issued under BPA's through June 1974. Procedures have been established which ensure payments to BPA vendors in less than 30 days from

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receipt of invoice. To date, these procedures have been very successful and represent a marked improvement over the inordinate period of time required for payment in the past. (80% successful)

Objective 14b (REQUIREMENTS CONTRACTS PROJECT)

This objective has not been accomplished on schedule since a list of the commodities appropriated for requirements contracting has not been identified. In view of this fact, this objective has been deferred until the commodity grouping has been defined. It is still the contention of this office that the applicability of requirements contracts to meet Agency needs should again be reviewed prior to implementation. (20% successful [isolation of issues])

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To accomplish the workload described above, the personnel of this Branch worked 1,715 hours of compensated overtime and over 600 hours of "career time".

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In accordance with our Objectives, there were a number of improvements, (1) the BPAs were initiated in November 1973 and accounted for 1,970 actions during the fiscal year; (2) the time required to produce the same monthly statistical data as the previous year was reduced from 6 to 7 working days down to 1 to 2 days; (3) selective delegations of authority were given to each procurement officer for the first time in order to provide a measure of authority and to expedite the promised time of purchase actions; (4) commodity assignments were made by section and individual purchasing agent; (5) coding into CONIF system accomplished on a daily basis; (6) 2422 process eliminated in service contract renewals/cancellation was accomplished by the use of computer listing (eliminating over 1400 paper processing transactions and 2 to 3 weeks of typing); (7) actual renewal of service contracts completed by use of "short form" will reduce preparation time of service contracts by at least 50 percent and a significant reduction in the vendor shipping problem to Central Depot (ship to billing address which reflects [REDACTED]) was achieved as a result of this action.

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Fiscal Year End Continuing Problem - Fiscal Year End Work Volume

Indications are that the procurement planning process instituted by Mr. Colby has not had the anticipated effect on the persistently overwhelming PD fiscal year end workload. The tabulation set forth below of the last four (4) years June activities, which you will note, averages between 19 percent and 29 percent in the final month of the fiscal years for 1971, 1972, 1973, and 1974. Therefore, the utilization of the procurement planning documents supplied and the cooperation of the requesting offices has not materially effected the persistently overwhelming June activity for fiscal year 1974.

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<u>Fiscal Year</u>	
1971	
1972	
1973	
1974	

Section C - Recommendations

A persistent problem in PD during FY 1973 and FY 1974 was the lack of personnel stability and, therefore, continuity of effort. It is, therefore, recommended that serious consideration be given commensurate with the training responsibility placed on the Division by a Logistics Instruction to stabilize the specific population throughout at least FY 1976.

A continued effort and study should be undertaken to provide a supplemental automatic data processing capability for internal Division use and control. The details associated with this recommendation have been forwarded in conjunction with the most recent resource package submission. It tends to enhance, if undertaken, not only the man-machine relationship but also provides for historical record of most recent transactions to compare on a real time basis to current purchasing and or contract requirements.

[Redacted Signature]

Chief, Procurement Division, OL

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